

Department of Social and Health Services

DP Code/Title: M2-CD Enhanced Local Match Options

Program Level - 030 Mental Health

Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

Recommendation Summary Text:

This decision package requests state authority to continue federal spending. The 2001 and 2002 Legislatures appropriated funding to the Mental Health Division (MHD) to allow the Regional Support Networks (RSNs) to use local funds to increase the amount of federal Medicaid funding available. Maintaining current levels of service in certain RSNs requires continued use of this funding mechanism.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 030			
001-C General Fund - Basic Account-DSHS Medicaid Federa	911,000	5,378,000	6,289,000
Total Cost	911,000	5,378,000	6,289,000

Staffing

Package Description:

The mental health managed care system provides both community outpatient and hospital inpatient care to Medicaid-eligible clients in community settings through the RSNs. In recent years, demand for Medicaid services has increased beyond funding available to the RSNs. In addition, more innovative programs that serve the unique needs of certain Medicaid-eligible consumers have been made available but cannot always be implemented due to the lack of funding. In 2001, the Legislature authorized the use of local funds already in the Mental Health system as match for additional federal Medicaid funding beyond the base allocation. The initial 2001-03 Biennial Budget made this funding available to RSNs with an overall funding increases of less than 2.1 percent in Fiscal Year 2002 and 2.3 percent in Fiscal Year 2003. The 2002 Supplemental Budget increased these percentages to 3.5 percent for Fiscal Year 2002 and 5.0 percent in Fiscal Year 2003. This request assumes that the local match option will continue to be available to RSNs whose overall funding increase does not exceed 5.0 percent in each year of the 2003-05 Biennium. This level of funding will allow RSNs to continue providing services at current levels.

Narrative Justification and Impact Statement

How contributes to strategic plan:

The mental health managed care system provides community outpatient and inpatient services. These services are necessary in the continuum of care for mentally ill clients. To meet the demands for Medicaid services, increased levels of funding are necessary. One means of increasing funding is to expand the local match option, which allows RSNs to use their own funding to increase the overall Medicaid funding for services provided. This option allows RSNs to maintain innovative programs based on the amount of funding they can provide and allows these funds to be matched with federal dollars.

Performance Measure Detail

Program: 030

Goal: 02C Enhance safety for consumers, employees and the public

No measures submitted for package

Incremental Changes

FY 1 **FY 2**

Goal: 09C Optimize services within resources

No measures submitted for package

Incremental Changes

FY 1 **FY 2**

Reason for change:

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The 2001 and 2002 Legislatures appropriated funding to the MHD allowing the RSNs to use local funds to increase the amount of federal Medicaid funding available in the system. Demands for services in certain RSNs necessitate continued use of this funding mechanism.

Impact on clients and services:

Ensures that RSNs are able to maintain programs and services to consumers.

Impact on other state programs:

None

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

None explored as this request does not affect state funds.

Budget impacts in future biennia:

The cost should carry forward into future biennia at similar levels.

Distinction between one-time and ongoing costs:

These are all ongoing costs.

Effects of non-funding:

This option maintains the programs offered by RSNs. Those services will not be provided if the local match funding is not allowed.

Expenditure Calculations and Assumptions:

See attachment - MHD M2-CD Enhanced Local Match Options.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 030 Objects			
N Grants, Benefits & Client Services	911,000	5,378,000	6,289,000

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DSHS Source Code Detail

Program 030		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	911,000	5,378,000	6,289,000
<i>Total for Fund 001-C</i>		<u>911,000</u>	<u>5,378,000</u>	<u>6,289,000</u>
Total Program 030		911,000	5,378,000	6,289,000